Refund of Premium

2309. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the LIC, Kanpur Division has not refunded the premium amount against the Insurance policies of high value which were issued without proper consent in writing from the insured;

(b) whether Government's attention was also drawn by the insured;

(c) whether any action has been taken in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) to (d) It has been reported by the Life Insurance Corporation (LIC) that only in one case, their Kanpur Division received premium amount on behalf of an insured through an agent alongwith unfilled proposal form duly signed by the insured. The insured is stated to have given oral instructions to the agent to arrange for an insurance policy for a sum of Rs. 5 lakhs which should mature at the age of 75, i.e. with a term of 37 years. The agent appears to have made some changes in the aforesaid conditons with the oral consent of the insured. These changes are — (a) to increase the sum assured from Rs. 5 lakhs to Rs. 25 lakhs; (b) to change the mode of payment from yearly to quarterly mode; and (c) to reduce the period from 37 years to 25 years, (the maximum term possible under the existing rules). In addition to the above changes, based on the medical reports, an extra premium of Rs. 525 per thousand sum assured was charge by the LIC while issuing the policy on 28.3.95 in favour of the insured. The policyholder complained that the above changes were made without his written consent. Therefore, the Kanpur Division has decided to give the insured an option to change over from quarterly mode to annual mode and to reduce the sum assured from Rs. 25 lakhs to Rs. 5 lakhs w.e.f. the next policy anniversary date viz. 28.3.1995. The LIC have reported that under the existing rules it is not possible to refund the premium once the policy is issued and the policy period cannot be increased beyond 25 years in this case. They also reported that the extra premium charged on medical grounds cannot be waived.

Losses of Public Sector Banks

2310. SHRI RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) which are the Public Sector Commercial Banks running with accumulated losses more than equity and reasons for the same during the last three years; and

(b) the amount of accumulated loss of each such bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) and (b) The names of the public sector banks which have accumulated losses more than their equity as on 31.3.1993 and 31.3.1994, as reported by Reserve Bank of India, are as under:—

(Rs. in crores)

Sl. No.	Name of the Bank	Amount of accumulated loss	Paid-up Capital
1	2	3	4
		As on 31.3.1993	
1.	Andhra Bank	141.08	92.00
2.	Bank of Maharashtra	196.51	184.50
3.	Central Bank of India	383.31	182.99
4.	Indian Overseas Bank	752.74	370.00
5.	Syndicate Bank	670.08	159.00